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JO-CARROLL ENERGY, INC.)		CHIE	100 1	0017
Complainant,)		£ CL	FEB	WERO.
VS.)	No. 02-0593	ERK'S	20 F	- CO: "
ALLIANT d/b/a INTERSTATE POWER AND LIGHT CO.,)		OFFICE	. υ	
Respondent)				

ILLINOIS COMMERCE COMMISSION

REPLY OF JO-CARROLL ENERGY, INC. TO THE RESPONSE OF ALLIANT d/b/a INTERSTATE POWER AND LIGHT CO TO JO-CARROLL'S MOTION FOR SUMMARY JUDGMENT

JO-CARROLL ENERGY, INC., (Complainant)(Jo-Carroll), by GROSBOLL, BECKER, TICE & REIF, Jerry Tice of counsel, herewith files its reply to the response by ALLIANT d/b/a INTERSTATE POWER AND LIGHT CO. (Respondent) (Interstate) to the Motion for Summary Judgment filed by Jo-Carroll and in support thereof states as follows:

- I. INTERSTATE DOES NOT DISPUTE THE PRIMARY SUBSTANTIVE FACTOR TO BE CONSIDERED BY THE COMMISSION IN THIS CASE, TO WIT: WHICH ELECTRIC SUPPLIER HAD JULY 2, 1965 LINES IN CLOSER PROXIMITY TO THE CUSTOMER.
- A. The facts in this case relating to proximity of each electric supplier's July 2, 1965 line to the customer are clear and undisputed.
- 1. Jo-Carroll's July 2, 1965 line is 1642 feet to the east of the customer's residence and meter location.
- 2. Interstate's July 2, 1965 line is 2557 feet to the northwest of the customer's residence and meter location.

Interstate mentions a distance of 1,994 feet from its July 2, 1965 line to the customer (see Page 2 of Interstate's Response), but notes that this distance was measured only from its July 2, 1965 line to the junction box installed along Indian Ridge Road to provide electric service to the customer, Rowe. In addition, Interstate constructed an 862 foot extension to the customer's house/meter, (see Jo-Carroll Exhibit 5 which is a map showing all of the relevant distances and is attached to the Affidavit of Rick M. Knipfer and attached to Jo-Carroll's initial Motion for Summary Judgment). Interstate measures that extension at 860 feet; (see Interstate map provided in Answer to Jo-Carroll Interrogatories No's 15, 16 and 27, showing distances from Interstate's July 2, 1965 line to the customer, Rowe, marked Exhibit B attached to Jo-Carroll's initial Motion for Summary Judgment). Interstate now apparently contends that the distance from its July 2, 1965 line to the customer, Rowe, is 1,994 feet when in reality that distance is 1,994 feet plus 845 feet (See Interstate map marked Exhibit A attached to Interstate's Response) for a total distance of 2,839 feet as measured by Interstate. ¹ This compares to the "as the crow flys" measurement by Jo-Carroll from Interstate's July 2, 1965 line to the customer/meter location of 2,557 feet. Jo-Carroll will accept Interstate's distance of 2,839 feet if Interstate insists that such is the proximity from Interstate's July 2, 1965 line to the customer/meter location.

If Interstate claims the proximity from its lines to the customer/meter location is only 862 feet (as now measured by Jo-Carroll) or 845 feet (as measured by Interstate), or 860 feet

¹ Interstate fails to provided an affidavit to show who prepared Exhibit A, the person's training or experience or other foundational particulars necessary to allow consideration of such map in determining the Motion for Summary Judgment as required by Supreme Court Rule 191(a).

(also as earlier measured by Interstate), then Interstate attempts to apply a definition to "proximity" that is contrary to the statutory requirements of the Act. Section 30/8 of the Act provides that the Commission shall make its determination with respect to proximity by giving: "... substantial weight to the consideration as to which supplier had existing lines in proximity to the premises proposed to be served, ..." "Existing line" is defined by Section 30/3.6 as: "...any line of an electric supplier which on the effective date of this act is (a) in existence ...". "Proximity" is defined by Section 30/3.13 of the Act as:

"... that distance which is shortest between a proposed normal service connection point and a point on an electric supplier's line, which is determined in accordance with accepted engineering practices by the shortest direct route between such points which is practicable to provide the proposed service".

Section 30/3.10 of the Act states:

"'Normal service connection point' means that point on a customer's premises where an electric connection to serve such premises would be made in accordance with accepted engineering practices..."

Clearly, the Act requires "proximity" to be determined from a point on a supplier's

July 2, 1965 line to the customer's "normal service connection point". The Commission has

determined that the "normal service connection point" for a residential customer is that place
where the main electrical load for the residence will be located which generally is near the
meter which in turn is very close to the residence, if not actually placed on the residence.

(Menard Electric Cooperative v. Central Illinois Public Service Company, Ill. Com. Comm.

90-0217, July 21, 2000, holding at pages 17-18 that the "normal service connection point" on
a customer's residence is the point nearest to the heavy energy using devices in the residence;
see also par 12 of Rick Knipfer's Affidavit attached as Exhibit A to Jo-Carroll's Motion for

Summary Judgment stating Rowe's "normal service connection point" determined in accordance with accepted engineering practices is the meter pedestal 100 feet from the residence). ² Thus, the Act and Commission decisions require proximity to be determined from the closest point on a supplier's July 2, 1965 line to the "normal service connection point" of the customer, which in this case is the meter.

Interstate does not raise any question regarding the beginning or ending point for determining proximity as calculated by Jo-Carroll. Interstate instead implies that its proximity is only 845 feet, or maybe 860 feet, being the distance that it extended its line from the post-July 2, 1965 extension along Indian Ridge Road to the customer's residence. While the 845 foot (860 foot) line extension by Interstate to the customer is a part of the proximity equation, it is not the only distance to be considered. The Commission must also consider the distance from the end of Interstate's July 2, 1965 line to the junction box installed by Interstate on Indian Ridge Road and to which Interstate then connected the line extended to serve the customer. That distance is, as admitted by Interstate, 1,994 feet (Interstate's Response Page 2).

Interstate contends that because Jo-Carroll and Interstate have distances that vary a few feet, there is a factual dispute as to proximity which the Commission can only determine after conducting an evidentiary hearing. This is a preposterous argument in as much as Interstate does not dispute the distance from Jo-Carroll's July 2, 1965 line to the customer's residence of 1,642 feet. Neither does Interstate dispute the distance determined by Jo-Carroll from

²A copy of the Commission Order in <u>Menard Electric Cooperative v. Central Illinois</u> Public Service Company III. Com. Comm. 90-0217, July 21, 2000 is attached for convenience.

Interstate's July 2, 1965 line to the customer's residence of 2,557 feet. In fact, Interstate claims, based on its current measurements, that the distance is 2,839 feet (1,994 feet plus 845 feet equals 2,839 feet). Interstate does not suggest that there are additional distances that must be calculated for determining proximity other than those disclosed by both parties in their briefs to the Commission.

Additionally, Interstate claims at Page 5 of its Response that Jo-Carroll and Interstate have used different methods for measurement and this alone creates a difference that must be resolved by a hearing. Interstate, however, fails to identify what the different methods of measurement are that require the Commission to hold a hearing thereon. Even if different methods were used, the difference between Jo-Carroll's proximity to the customer and Interstate's proximity to the customer is so great that any discrepancy in the methods used for determining proximity would not change the fact that Jo-Carroll's July 2, 1965 line proximity to the customer is 1,642 feet while Interstate's July 2, 1965 line proximity to the customer's residence is, as measured by Jo-Carroll, 2,557 feet and, as measure by Interstate, 2,839 feet. No matter how hard Interstate might try, it is impossible to say that 2,557 feet is less than 1,642 feet. The argument of Interstate on the issue of proximity lacks any merit and should not be accepted by the Commission.

II. INTERSTATE PRESENTS FACTS WHICH ARE NOT RELEVANT TO A DETERMINATION OF THE ISSUES UNDER SECTION 8.

Interstate presents facts at Page 2 of its Response relating to the connection charges quoted by Interstate and Jo-Carroll to the customer, Rowe. In addition, Interstate presents facts at Page 5 of its Response that claim Interstate's electric rates are lower than Jo-Carroll's

electric rates and that the customer may elect to have a different power provider if served by Interstate while the customer cannot if served by Jo-Carroll. None of these facts have any bearing upon any of the elements to be considered in the Section 8 determination. While these factors may have a bearing on a customer's personal preference, it is only the customer's preference which the Commission may consider in determining the appropriate electric supplier for the customer and not which electric supplier's rates are lower or higher and what each electric supplier's connection charges are. These are financial matters inherent to the industry at large and not otherwise instructive in analyzing the Section 8 issues. Simply stated, these financial matters are not a factor entitled to separate consideration when determining a Section 8 dispute (Eastern Illini Electric Cooperative v. Central Illinois Light Company, Ill. Com. Comm. 89-0259, (Aug 18, 1993 page 25). (See Jo-Carroll's Motion to Strike).

III. THE LESSER WEIGHT CRITERIA

The Act requires that proximity be given substantial weight in determining which supplier is to provide electric service under Section 8 of the Act. Proximity is the principal element and no "lesser weight criteria" considered separately or collectively can override the proximity element. Thus no evidentiary hearing can change the ultimate outcome when proximity so clearly favors one electric supplier over the other.

A. THE AMOUNT OF ADDITIONAL INVESTMENT REQUIRED OF EACH SUPPLIER IS VIRTUALLY EQUAL AND THEREFORE SUCH LESSER WEIGHT CRITERIA IS NOT DETERMINABLE.

The only facts relating to this "lesser weight criteria" that the Commission has authority to consider is each electric supplier's additional investment to provide the service to the customer. In this regard the Commission may consider only the actual cost to the electric

supplier for providing that additional service. Suffice it to say that the facts in this case show that Interstate actually expended \$5,676.34 to construct the line 862 feet or 860 feet or 845 feet to the customer from a point on its post-July 2, 1965 line extension. Interstate did not provide the cost of its post-July 2, 1965 line extension of 2,990 feet (as determined by Interstate) south along Indian Ridge Road. (See Exhibit B attached to Jo-Carroll's initial Motion for Summary Judgment). Jo-Carroll requested information in discovery from Interstate as to the cost of that 2,990 foot extension and Interstate responded either that Interstate is not required to keep such records or simply refused answer (see Interstate's Answers to Jo-Carroll's Interrogatories No. 20 and 22 attached as Exhibit C to Jo-Carroll's Motion for Summary Judgment). Thus, this Commission is without any evidence as to the cost of that post-July 2, 1965 line by Interstate south along Indian Ridge Road to the point where Interstate made the connection for the 862 foot extension to the residence of customer, Rowe. And Interstate has provided this Commission only the cost of that 862 foot extension in the amount of \$5,676.34.

To the contrary, Jo-Carroll has provided the cost of its proposed 856 foot extension north along Indian Ridge Road from the northerly terminus of Jo-Carroll's post-July 2, 1965 line extension constructed along Indian Ridge Road in 1996 and 1998. The proposed 856 foot extension to the point where Jo-Carroll would connect to the line constructed to serve the customer's residence, will cost \$4,149.00. The cost of Jo-Carroll's post July 2, 1965 line extensions northerly along Indian Ridge Road from Jo-Carroll's July 2, 1965 line were \$1,819.14 expended November 14, 1996 and \$2,099.53 expended March 6, 1998 for a total of \$3,918.67. However, these costs should not be added to Jo-Carroll's line extension cost to serve the customer for the reason that Interstate has not provided and apparently cannot

provide the cost of its 2,990 foot post-July 2, 1965 extension south along Indian Ridge Road to the point where service was then extended in 2003 to the customer's residence.

Jo-Carroll's additional cost to extend its line 860 feet east of Indian Ridge Road to the customer's residence, as explained by Jo-Carroll in response to an Interstate Data Request, attached as Exhibit F to Interstate's Response to Jo-Carroll's Motion for Summary Judgment, is:

Cost of junction box	\$	100.00
Cost of cable termination	\$	100.00
Cost of pad-mounted transformer	\$	800.00
Cost of remaining value of Interstate's underground electric cable for the 860 feet (calculated at \$0.85 per foot)	\$	732.70
Total	\$1	732.70

When you add \$1,732.70 to \$4,148.62 the total cost to Jo-Carroll would be \$5,881.32. When this is compared to Interstate's cost of the line extension to the customer of \$5,676.34 the difference of \$204.98 becomes inconsequential in determining the lesser weight criteria of which supplier can provide the additional service with the least amount of additional investment. See Eastern Illini Electric Cooperative v. Central Illinois Light Company, Ill. Com. Comm. 89-0259 (August 18, 1993, Page 24) where the Commission considered a \$3,500.00 differential insignificant, and on that basis concluded the additional investment required of each electric supplier was so close there was little basis for a determination by the Commission as to which supplier can provide the additional service with the least amount of cost.

Interstate claims at page 9 of its Response that the Commission must hold a hearing to determine if Jo-Carroll's proposed service route along Indian Ridge Road is practical, how

many poles will be used and what will cause the least amount of land interference. Yet the Jo-Carroll proposed route is along Indian Ridge Road, a public road, and is constructed underground the same as Jo-Carroll's and Interstates prior construction at this location. Accordingly, Interstate shows no valid factual basis to claim Jo-Carroll's proposed route or construction is not practical such that the commission must hold a hearing to determine such question. In addition, Interstate has included, in the Affidavit of Jamie Rowe, the claim that Jo-Carroll estimated the cost of extending service to Jamie Rowe at \$11,000.00. Presumably this claim is raised in an attempt to create a factual issue regarding Jo-Carroll's additional cost to provide the service to the customer. Jo-Carroll has attached to this Reply the Affidavit of Rick Knipfer explaining the reason for the original estimate and the later decision of Jo-Carroll regarding the most practical route for providing the service together with the cost. Interstate admits the law clearly allows Jo-Carroll to serve by a route different than the route by which proximity is determined. Accordingly, the additional investment to Jo-Carroll to provide the service to Jamie Rowe is \$5,881.32 and the original cost estimate by Jo-Carroll is not relevant as to this "lesser weight criteria". Interstate does not dispute Jo-Carroll's cost for the route construction along Indian Ridge Road. Thus there is no material issue of fact as to this "lesser weight criteria".

Accordingly, Interstate's argument that there is a question of fact as to which electric supplier can provide the additional service with the least amount of additional investment is simply unsupportable. Therefore, because this element is a "lesser weight criteria" to be considered by the Commission and since it is for all practical purposes indeterminable, there is no basis for holding an evidentiary hearing on this issue, particularly since Interstate does not

dispute the factual basis provided by Jo-Carroll with respect to this criteria.

B. WHICH SUPPLIER WAS FIRST TO FURNISH SERVICE IN THE AREA.

Interstate claims that it has been furnishing service in the area around the customer's premises continually since before 1929 to the present time. However, Interstate does not attach any documents or supply any evidence to substantiate such claim. One would think that if Interstate, in fact, has evidence that it was serving customers in the area around Mr. Rowe's residence on or before 1929, Interstate would have attached a map showing the locations of those customers, as well as, the date service was connected to them.

In fact, Jo-Carroll requested such information from Interstate by Jo-Carroll's Data Request No. 27 and the answer provided by Interstate was: "I. P. & L. installed distribution facilities immediately adjacent to the Rowe property in 1980 as shown on the detail map". Interstate provided no additional evidence as to location or dates of connection of service for any other customers other than those customers established in 1980, post-July 2, 1965, located along Indian Ridge Road to the west of the Jamie Rowe residence (see Exhibit C consisting of Interstate's Answer to Jo-Carroll Interrogatory Nos. 15, 16, 27 and Interstate's map attached as Exhibit B to Jo-Carroll's Motion for Summary Judgment). That Interstate map provided to Jo-Carroll in discovery shows only three customers existing prior to July 2, 1965 within approximately one mile of the Rowe residence with two additional customers connected along Indian Ridge Road in 1980 and 1988 for a total of five customers within approximately one mile of the Rowe residence.

In contrast, Jo-Carroll has provided the Commission the Affidavit of Rick M. Knipfer (attached as Exhibit A to Jo-Carroll's Motion for Summary Judgment) showing that Jo-Carroll

served fourteen customers in the area within one mile of the Jamie Rowe premises, dates each were connected together with the location of such customers in relationship to the customer, Jamie Rowe. Interstate has chosen not to do that, nor even to supply evidence of service to any customers near the Jamie Rowe residence in 1929, except by the unsupported statement of Interstate's counsel. As noted by the Civil Practice Act, 735 ILCS 5/2-1005, and Supreme Court Rule 191 Motions for Summary Judgment must be supported by Affidavit or other competent evidence otherwise admissible in a trial or hearing. Statements by Interstate's counsel are not admissible in a trial or hearing and thus are not competent to support Interstate's claim that it provided electric service near the residence of Jamie Rowe as early as 1929 unless supported by proper affidavits.

The only documents supplied by Interstate, in defense to the claim that Jo-Carroll was first to furnish service in the area of the Jamie Rowe residence, consist of three township plats showing the location of Interstate lines (but no customers). All of the lines identified as Interstate lines on the Menominee Township plat are located at least one mile or further from the Jamie Rowe residence. Interstate has also attached a plat of Vinegar Hill Township and Dunleith Township showing lines of Interstate, but no customers. Admittedly, the closest portion of Vinegar Hill Township is located more than four miles east of the Jamie Rowe premises. And the closest part of Dunleith Township is at least one mile from the customer. Since Interstate cannot or will not provide a map showing the location of customers served together with the dates service was connected to those customers within a reasonable proximity of the premises of Jamie Rowe, one can only come to the conclusion that Interstate was not serving any customers near the Jamie Rowe premises, except for those shown on Interstate's

map attached to Jo-Carroll's Motion for Summary Judgment as Exhibit B.

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Interstate refers to itself as the "principal electric service provider in the area" (Page 7 of Interstate's Response) and states that it has "...historically provided extensive electric service in the area around the Rowe site." (Interstate Response, Page 7). Yet Interstate fails to provide any evidence either in documentary form or by Affidavit as to the "area" Interstate refers to or as to the location of actual customers to which service has and is being provided or the dates service commenced to such customers.

Interstate does not dispute Jo-Carroll's documentary evidence establishing that

Jo-Carroll was serving fourteen customers within a mile of the Jamie Rowe premises starting
as early as 1939 and continuing to the present date and since the evidence discloses only that
Interstate has served no more than five such customers within the same approximate distance of
the Jamie Rowe premises, this "lesser weight criteria" clearly must be found in favor of JoCarroll. There simply is no disputed fact in the record with regard to the number of customers
or the dates of service to those customers to which Jo-Carroll provided service and the number
of customers to which Interstate provided service in the area surrounding the Jamie Rowe
residence.

C. THE EXTENT TO WHICH EACH SUPPLIER ASSISTED IN CREATING THE DEMAND FOR THE SERVICE.

Interstate's claim, that it has done more to assist in creating the demand for service in the area, is based solely upon the fact that the customer, Jamie Rowe, prefers Interstate's service over that of Jo-Carroll. Yet, the issue as to this "lesser weight criteria" is which supplier has done more to create a demand for electric service rather than customer preference.

Demand for electric service in the area is dependant upon the availability of electric service. This element goes hand-in-hand with which supplier provides the most service in the area. Since it is obvious from this record that Jo-Carroll has the most electric service in the area around the Jamie Rowe residence, it leads to the conclusion that Jo-Carroll has done more to create the demand for the construction of residences and the habitation of this rural area and thus the need for electric service. Even if the Commission considers the request by Jamie Rowe for electric service from Interstate as a basis for determining which electric supplier did more to create the demand for the service, such fact would do nothing more than make a finding on this "lesser weight criteria" inconclusive at best. Further, the Rowe Affidavit reveals he also contacted Jo-Carroll regarding service. That fact alone reveals that Jo-Carroll is as much a player in the providing of electric service in this rural "area" as Interstate claims to be. Thus, such "lesser weight criteria" would be of no significance in determining the service dispute in this docket and thus should not require a full evidentiary hearing.

D. CUSTOMER PREFERENCE.

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While the Affidavit of Jamie Rowe attached to Interstate's Response indicates Jamie Rowe prefers Interstate, that preference is based upon two factual matters which are not relevant in this proceeding as noted on page 5 hereof. Even if customer preference is determined by the Commission to favor Interstate, such lesser weight criteria is the only lesser weight criteria which favors Interstate and this would not preclude granting of summary judgment in favor of Jo-Carroll.

IV. THE COMMISSION HAS AUTHORITY TO GRANT A PARTIAL SUMMARY JUDGMENT

There is no question that the difference in proximity for each of Jo-Carroll and Interstate from their respective July 2, 1965 lines is great and so clearly favors Jo-Carroll. Since the criteria of proximity must be given substantial weight by the Commission in determining Section 8 service disputes, Jo-Carroll believes the Commission is warranted in granting total summary judgment in favor of Jo-Carroll. However if the Commission determines that there is a material issue of fact regarding some or all of the "lesser weight" criteria that can only be determined by conducting an evidentiary hearing, then the Commission is empowered to grant partial summary judgment as to the proximity criteria and hold an evidentiary hearing on such of the "lesser weight" criteria for which the Commission believes a material issue of fact exists, 735 ILCS 5/2-1005(a).

V. SUMMARY.

Interstate has provided no factual evidence to create a factual dispute regarding proximity from the July 2, 1965 lines of each of Jo-Carroll and Interstate to the meter and residence of Jamie Rowe. Interstate's argument that each of Jo-Carroll and Interstate determined proximity by different methods fails to show any discrepancy in the calculation of proximity for each supplier sufficient to require a full evidentiary hearing on the proximity determination. The actual distances as measured by both Jo-Carroll and Interstate with respect to the pertinent points of beginning and termination for proximity are virtually the same. Any variance in the calculation of proximity for each supplier is so slight, when compared to the actual difference between proximity for each supplier, as to make a full fledged evidentiary

hearing unnecessary.

As to the "lesser weight criteria", Interstate has created no factual dispute as to the additional cost for Jo-Carroll or Interstate to provide the service to Jamie Rowe such as to require an evidentiary hearing. Those cost calculations are virtually the same for both suppliers so that the difference becomes inconsequential as a "lesser weight criteria".

With respect to which supplier was first to furnish service in the area, Interstate has provided no evidence as to the number and location of customers it was serving in the general area surrounding the Jamie Rowe residence, nor the dates service commenced to those customers. On the other hand, Jo-Carroll has provided unrefuted evidence that it was serving fourteen customers within a mile of the Jamie Rowe residence and that service commenced to those customers as early as 1939. Those same maps supplied by Jo-Carroll show that Interstate was providing, at most, electric service to five customers in that same area, but Interstate has failed to provide the dates service was commenced to those customers. Fourteen customers is clearly greater than five such that this "lesser weight criteria" must be decided in Jo-Carroll's favor and no evidentiary hearing will change that fact.

As to which supplier has provided the most assistance in creating the demand for the service, it is clear that Jo-Carroll provides the greatest number of customers in the area with electric service, all of which are residential in nature and that the customer prefers Interstate because of cost. Neither supplier has provided any other evidence as to this "lesser weight criteria" and thus it is impossible to determine which supplier provided the greatest assistance in creating the demand for the service. At best, this "lesser weight criteria" does not assist in determining the service dispute.

Only the "lesser weight criteria" of customer preference can be determined favorably to Interstate and this "lesser weight criteria" cannot and does not outweigh the substantive criteria of proximity which so clearly favors Jo-Carroll. Thus, Jo-Carroll's Motion for Summary Judgment should be granted in whole or if only in part than as to the substantial weight criteria of proximity and as to such of the "lesser weight" criteria to which no material issue of fact exists.

Respectfully submitted,

JO-CARROLL ENERGY, INC., Complainant,

By: GROSBOLL, BECKER, TICE & REIF

ene of its attorneys

PROOF OF SERVICE

I, JERRY TICE, hereby certify that on the 18th day of 1ebruary, 2004, I deposited in the United States mail at the post office at Petersburg, Illinois, postage fully paid, a copy of the document attached hereto and incorporated herein, addressed to the following persons at the addresses set opposite their names:

Juny Tree

Michael Wallace Administrative Law Judge Illinois Commerce Commission 527 East Capitol Springfield, IL 62701-1827

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